



## OVERVIEW OF THE PROPOSED PRE-DISASTER MITIGATION COMPETITIVE GRANT PROGRAM

### BACKGROUND

The Fiscal Year 2003 budget provides \$150 million under the National Pre-Disaster Mitigation Fund to initiate a competitive grant program for pre-disaster mitigation activities. The intent of this program is to provide a consistent source of funding to State, Tribal, and local governments for pre-disaster mitigation planning and projects primarily addressing natural hazards. Funding these plans and projects reduces overall risks to the population and structures, while also reducing reliance on funding from actual disaster declarations. This document outlines the design of the competitive Pre-Disaster Mitigation (PDM) program.

### USES OF FUNDS

**Funds:** FEMA was directed to provide \$250K planning grants to States and five other recognized entities for a total allocation of \$13.75M. The Disaster Resistant University program will receive \$3.6M. The remaining funds will be available for competitive pre-disaster mitigation grants, technical assistance, and program support for PDM.

#### Categories of Funds for Competitive Grants:

- Mitigation projects: \$3M cap Federal share per project
- Mitigation planning

Cost-share: 75% Federal cost-share; small, impoverished communities may have up to 90% Federal cost-share. Management costs are allowable for Applicants and Sub-Applicants.

Up to 10% of the funds requested in the mitigation planning or project sub-applications may be used for information dissemination activities regarding cost-effective mitigation technologies. These activities may include marketing, outreach, training and education, but only if related to the proposed mitigation planning or project activity.

### KEY POINTS

**National Priorities:** For FY 2003, the National priority is funding mitigation projects that address NFIP repetitive flood loss properties.

#### Ineligible Activities (partial list):

- Major flood control projects;
- Engineering designs not integral to a proposed project;
- Feasibility studies not integral to a proposed project;
- Flood studies or mapping; and,
- Response and communication equipment.

**No 5% Initiative:** The 5% Initiative, available as part of the Hazard Mitigation Grant Program (HMGP) to fund discretionary mitigation activities that may be difficult to evaluate against traditional cost-effectiveness criteria, is not a category of assistance under the PDM program.

### ELIGIBILITY REQUIREMENTS

**Applicant Eligibility:** Only the emergency management agencies or a similar office (i.e. the office that has emergency management responsibility) of the State, the District of Columbia, the U.S. Virgin Islands, the Commonwealth of Puerto Rico, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands, as well as Federally recognized Indian Tribal governments are eligible to apply to FEMA for assistance as Applicants under this program.

**Sub-applicant Eligibility:** Other state-level agencies; Federally recognized Indian Tribal governments; and local governments to include State recognized Indian Tribes, authorized tribal organizations, and Alaska Native villages are eligible to apply to the Applicant for assistance. Private non-profit organizations are not eligible Sub-applicants; however, they may request a local government to submit an application for their proposed activity on their behalf.

**Application Period:** States and Federally recognized Indian Tribal governments must submit a grant application to the appropriate FEMA Regional Office within 90 days after publication of the Notice of Funds Availability.

**NFIP Participation:** All Applicants and Sub-applicants must be participating in the National Flood Insurance Program (NFIP) if they have been identified through the NFIP as having a Special Flood Hazard Area (a Flood Hazard Boundary Map (FHBM) or Flood Insurance Rate Map (FIRM) has been issued). In addition, the community must not be on probation, suspended or withdrawn from the NFIP.

ELIMINATION CRITERIA	KEY POINTS
<p><b>Elimination Criteria:</b></p> <ul style="list-style-type: none"> <li>▪ Ineligible applicant</li> <li>▪ Incomplete application</li> <li>▪ Identified flood hazard area, but not NFIP participant</li> <li>▪ Identified flood hazard area, but NFIP probation, suspended or withdrawn</li> <li>▪ Missing cost-share funding</li> <li>▪ Mitigation projects without a Benefit-Cost Analysis</li> <li>▪ Benefit cost ratio less than 1.0</li> <li>▪ Activities requiring conditional approvals</li> </ul>	<p><b>Benefit-Cost Analysis:</b></p> <ul style="list-style-type: none"> <li>▪ Applicants will have to complete their own Benefit Cost Analyses.</li> <li>▪ A Benefit Cost Analysis will be required for substantially damaged structures.</li> <li>▪ A Benefit Cost Analysis is not required for planning activities.</li> </ul>
EVALUATION AND AWARD PROCESS	
<p><b>National Ranking:</b> All eligible sub-applications will be ranked on the basis of predetermined factors to calculate a National Ranking Score. Mitigation projects and mitigation planning applications will compete as separate categories. Factors that will be considered in the score in order of importance are:</p> <ul style="list-style-type: none"> <li>▪ Benefit-Cost Analysis (projects only);</li> <li>▪ Assessment of risks by hazard (planning only);</li> <li>▪ State/Tribal Ranking;</li> <li>▪ Community Mitigation Factors;</li> <li>▪ FEMA-Approved Mitigation Plan;</li> <li>▪ Percent of the Population Benefiting (projects only);</li> <li>▪ Small, Impoverished Community; and,</li> <li>▪ Critical Facility (projects only).</li> </ul> <p>Sub-applications will be ranked in descending order based on the National Ranking Scores, and sub-applications representing 150% of available funds will progress to the National Evaluation.</p> <p><b>National Evaluation:</b> National panels, chaired by FEMA and composed of FEMA headquarters and regional staff, other Federal agency staff, and State representatives, will convene to evaluate the sub-applications on the basis of additional predetermined qualitative factors to determine a National Evaluation Score. Mitigation projects and mitigation planning applications will compete as separate categories. Evaluation factors include (but are not limited to): feasibility of project methodology, likelihood of project success, applicant capability, consistency with National priorities, community mitigation incentives, protection of critical facilities, and the National Ranking Score.</p> <p><b>Selection/Award:</b> The Approving Federal Official at Headquarters shall consider the National Evaluation Score, any comments and recommendations from the independent reviewers, and other pertinent information to determine which sub-applications to approve. After the sub-applications are selected, FEMA Regional offices will work with Applicants whose sub-applications are selected for award.</p>	<p><b>National Ranking:</b> The two highest scoring sub-applications from each State and the two highest scoring sub-applications from Tribal Applicants will be included in the National Evaluation, if not already included in the 150%, to ensure a geographic spread of the applications considered. FEMA also may include sub-applications that are primarily focused on the National Priority to address NFIP repetitive flood loss properties among the sub-applications that progress to the National Evaluation.</p> <p><b>Environmental/Historic Preservation Review:</b> Once a project is selected through the National Ranking and Evaluation process, the Regional Offices will be responsible for environmental/historical preservation reviews. Funds will not be awarded and the project cannot be initiated until FEMA has completed its review.</p> <p><b>Reconsideration:</b> At its discretion, FEMA may review a decision where there is an indication of a material technical or procedural error that influenced our decision. Reconsideration occurs only after FEMA has rendered final decisions. Requests for reconsideration based upon technical or procedural error should be directed to the Regional Director within 60 days of receiving notice of our decision. The Regional Director will analyze the reconsideration request and make a recommendation to the Director of the Mitigation Division at Headquarters or his designee.</p>